

Decision No. 23124.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of Santa Maria Gas Company, a corporation, for a certificate of public convenience and necessity, under Section 50 of the Public Utilities Act, for authority to extend its facilities and to exercise franchises.

ORIGINAL

Application No. 16891.

Leroy M. Edwards, by O. C. Sattinger,
for Santa Maria Gas Company.

SEAVEY, COMMISSIONER:

O P I N I O N

In the above application Santa Maria Gas Company, a California corporation, asks the Railroad Commission of the State of California to make its order and decision declaring that public convenience and necessity require and will require the exercise by applicant of the rights and privileges set forth in a fifty-year franchise granted by Ordinance No. 432, passed by the Board of Supervisors of Santa Barbara County October 1, 1928, to become effective November 1, 1928, and the construction and operation by applicant of a hydrocarbon gas plant and distribution system to supply gas to the community of Solvang.

A hearing of this application was held at Solvang on October 8, 1930, at which time testimony and evidence was introduced and the matter submitted.

It appears from the evidence presented that Santa Maria Gas Company is the only public utility supplying gas in the vicinity of Solvang, but, at the present time, it would not be feasible to extend its natural gas transmission system to supply

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this community as the nearest point would be Las Cruces, a distance of approximately twelve miles through rather rough territory or from the City of Lompoc, a distance of approximately twenty miles.

Santa Maria Gas Company, in its application, alleges, however, that it would be practical to serve the community of Solvang with butane gas and introduced testimony and evidence showing that the estimated cost of such a plant and distribution system would be approximately \$7,700.00. Applicant estimates approximately forty consumers will take gas service immediately and at least one hundred consumers would eventually be connected.

While no estimates were submitted as to the expected revenue and cost of operation, it was brought out in the testimony that this plant would be operated on a basis similar to the present plant at Morro Bay and the following rates now in effect for Morro Bay would apply to the Town of Solvang:

Rate:

Service Charge:

\$1.50 per consumer per month.

Plus Commodity Charge:

First	100	pounds	per	meter	per	month,	4¢	per	pound.
Next	400	"	"	"	"	"	3¢	"	"
All Over	500	"	"	"	"	"	2½¢	"	"

It was further brought out that all matters pertaining to this service will be handled from the City of Lompoc, except the billing which will be handled from Santa Maria, and applicant will maintain a local representative in Solvang who will receive service orders and complaints and transmit them to the company's office at Lompoc.

It appears from the facts presented that the rendering of this service to the people of Solvang at reasonable rates will

be in the interest of public convenience and necessity.

I recommend the following form of order:

O R D E R

Santa Maria Gas Company having requested that the Railroad Commission of the State of California make its order and decision declaring that public convenience and necessity require and will require the exercise of the rights and privileges under franchise granted by Ordinance No. 432, passed by the Board of Supervisors of Santa Barbara County, effective November 1, 1928, and the construction by applicant of a plant and system for the manufacture and distribution of hydrocarbon gas having a uniform heating value of approximately 2800 B.t.u. per cubic foot in the community of Solvang, public hearing having been held, the matter being submitted and now ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY ORDERS AND DECLARES that public convenience and necessity require and will require the exercise by Santa Maria Gas Company of the rights and privileges under franchise granted by Ordinance No. 432, passed by the Board of Supervisors of Santa Barbara County, effective November 1, 1928, in so far as the exercise of such franchise is necessary to the specific project outlined in the above opinion and the construction by applicant of a plant and system for the manufacture and distribution of hydrocarbon gas in the community of Solvang, Santa Barbara County.

The above certification and authorization are subject to the following conditions and not otherwise:

- (1) That Santa Maria Gas Company shall file with this Commission, on or before March 1, 1931, a stipulation duly executed upon authority of its Board of Directors, agreeing that applicant, its successors or assigns will never claim before the Railroad Commission or

other public body or court, a value for the franchise granted by Ordinance No. 432, passed by the Board of Supervisors of Santa Barbara County October 1, 1928, to become effective November 1, 1928, in excess of the actual cost thereof.

- (2) That Santa Maria Gas Company shall file with this Commission, on or before March 1, 1931, copies of all contract agreements under which applicant is now receiving or will receive the liquid gas which it proposed to use in this service.
- (3) That Santa Maria Gas Company shall file with this Commission, and apply to all billing for gas in the community covered by this order, the following initial rate for domestic, commercial and general gas service:

Service Charge per meter per month, \$1.50

Commodity Charge (to be added to service charge)

First	100	pounds	per	consumer	per	month,	4¢	per	pound
Next	400	"	"	"	"	"	3¢	"	"
All Over	500	"	"	"	"	"	2¢	"	"

Minimum Charge.

The service charge set forth above constitutes the minimum charge.

Special Conditions.

- (1) In the application of this schedule gas delivered to the various premises of a consumer cannot be aggregated.
- (4) That the Railroad Commission may hereafter, by appropriate proceedings and orders, revoke or limit, as to territory not then served by Santa Maria Gas Company, the authority herein granted.
- (5) Upon the filing of the stipulation and contract agreements above referred to in conditions (1) and (2), this Commission

will issue its supplemental decision authorizing the exercise by applicant of the rights and privileges granted to it under the franchise in question.

The effective date of this order shall be twenty (20) days from and after the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 28th day of November, 1930.

Clarence
E. M. ...
Leon ...
John B. ...
W. A. ...
 Commissioners.